

CHAPTER VII

MARKETS GENERALLY, AND THE MONEY MARKET IN PARTICULAR

IN the Middle Ages the right or concession to carry on trade at a particular time and place was called a market,¹ as well as the locality itself where the trade was conducted. The term was also applied to the stock exposed for sale, and to the congregation of buyers and sellers. It is a striking example of the doctrine of evolution in its aspect of the dissipation of motion and integration of matter (that is to say, the gradual massing together of bodies by diminution of the intensity of forces producing separating movements), that markets tend to concentrate in particular spots. Thus we have the wool market, where sales of wool are arranged; the coal market, for dealing in coal; and others analogous to this distinction, as the Consol market in • the Stock Exchange, where the dealers congregate in a separate group for the purpose of buying and selling Consols alone, while other dealers in the same Exchange, for example the railway market, carry on transactions in the particular stocks and shares indicated by the titles of their respective markets.

It is not necessary, however, that markets of any kind should be centralised; the traders may extend over an entire town, or region of country, in separated localities, and yet constitute a common market, provided that by means of fairs, meetings, published price lists, the telegraph, telephone, and post office, they are brought into close business communication with each other, so that, although 'the localities are distinct,

^x Market, derived from the Latin *mercari*, to trade, and closely connected with the Latin, *merx*, merchandise or goods.